

# **EXHIBIT “C”**

PRIVATE CLIENT GROUP



Chartis Property Casualty Co  
(Name of issuing company)

Renewal

Effective:04/30/12

**DECLARATIONS PAGE**

Your Declarations Page shows at a glance the coverage you have and your premium. Your Declarations Page is part of your policy. Please read your policy carefully, including your Declarations Page and any attached Endorsements, for a description of your coverage.

**Policy Number**

PCG 0003018048

**Policy Period 04/30/2012 - 04/30/2013**

At 12:01 A.M. standard time at your mailing address shown below

**Name of Insured and Mailing Address**

Paul Napoli  
Marie E. Kaiser Napoli  
c/o Total Personal Services  
PO Box 8020  
Garden City, NY 11530

**Agency Name, Address, Phone # & Code**

Sterling & Sterling, Inc. Ins  
135 Crossways Park Drive  
Suite 300  
P.O. Box 9017  
Woodbury, NY 11797  
(516) 487-0300 0050193

**"YOU WILL BE BILLED SEPARATELY FOR ANY PREMIUM DUE".**

<b>A. PERSONAL EXCESS LIABILITY COVERAGE LIMIT</b>	<b>\$ 20,000,000</b>
Excess Uninsured/Underinsured Motorist Limit	\$ 1,000,000

**B. LIMITED EMPLOYMENT PRACTICES LIABILITY LIMIT**

Annual Aggregate	\$ 250,000
Per Wrongful Employment Act	\$ 250,000
Deductible	\$ 10,000

Required Underlying Insurance		Minimum Required Underlying Limits
1. Personal Liability, Homeowners or Comprehensive Personal Liability	Bodily Injury/Property Damage Combined Single Limit	\$300,000 each occurrence
2. Private Passenger Auto and Licensed Recreational Vehicles	Bodily Injury and Property Damage or Combined Single Limit:	\$250,000 Bodily injury each person \$500,000 Bodily injury each accident \$ 25,000 Property damage each accident \$300,000 each accident
Uninsured/Underinsured Motorist Protection	Bodily Injury and Property Damage or Combined Single Limit:	\$250,000 Bodily injury each person \$500,000 Bodily injury each accident \$ 25,000 Property damage each accident \$300,000 each accident

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## PERSONAL EXCESS LIABILITY DECLARATIONS PAGE - CONTINUED

Policy Number

PCG 0003018048

Policy Period 04/30/2012 - 04/30/2013

At 12:01 A.M. standard time at your mailing address shown below

Required Underlying Insurance: Continued		Minimum Required Underlying Limits
3. Watercraft		
Less than 26 feet and less than 50 hp	Combined Single Limit:	\$300,000 each occurrence
26 feet or more or more than 50 hp	Combined Single Limit:	\$500,000 each occurrence
4. Unlicensed Recreational Vehicles	Bodily Injury and Property Damage or Combined Single Limit:	\$300,000 each occurrence
5. Employers Liability	Combined Single Limit	\$100,000 each occurrence

### FORMS AND ENDORSEMENTS:

PEL (08/01), Personal Excess 11/10 Notice, 78052 (01/11), PEL-WHUL (7/01), PEL-AENY (01/09)

**Total Premium** \$ 7,446.00

## PRIVATE CLIENT GROUP



Chartis Property Casualty Co  
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Policy Number:PCG 0003018048

**Schedule of Underlying Insurance**

**Homeowners**

**Location**

**Insuring Company**

- 1 1985-4 Cedar Swamp Rd  
Brookville, NY 11545
- 2 400 East 51st St Apt 17B  
New York, NY 10022
- 3 Dune Road  
Quogue, NY 11959
- 4 159 Dune Road  
Westhampton Beach, NY 11978

**Private Passenger Auto and Licensed Recreational Vehicles**

**Description**

**Insuring Company**

- 1 2005 Bentley  
Arnage T
- 2 2005 Porsche  
Carrera
- 3 2006 Bentley  
Continental
- 4 1997 Ferrari  
355
- 5 2011 Land Rover  
Range Rover
- 6 2011 Land Rover  
Range Rover

**Unlicensed Recreational Vehicles**

**Description**

**Insuring Company**

NONE

PRIVATE CLIENT GROUP



Chartis Property Casualty Co  
(Name of issuing company)

Policy Number:PCG 0003018048

**Schedule of Underlying Insurance**

<b>Yacht and Personal Watercraft</b>
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**Description**

**Insuring Company**

- |   |      |    |     |                   |  |
|---|------|----|-----|-------------------|--|
| 1 | 2008 | 9  | FT. | SeaDoo            |  |
|   |      |    |     | GTI SE            |  |
| 2 | 2008 | 9  | FT. | SeaDoo            |  |
|   |      |    |     | GTI SE            |  |
| 3 | 2008 | 25 | FT. | Grady White Boats |  |
|   |      |    |     | 257S Advance/CC   |  |

PRIVATE CLIENT GROUP



## NOTICE

To report a claim, please contact:

1-888-760-9195

**POLICYHOLDER NOTICE**

Thank you for purchasing insurance from a member company of Chartis Inc. (Chartis). The Chartis member companies generally pay compensation to brokers and independent agents, and may have paid compensation in connection with your policy. You can review and obtain information about the nature and range of compensation paid by Chartis member companies to brokers and independent agents in the United States by visiting our website at [www.aigproducercompensation.com](http://www.aigproducercompensation.com) or by calling Chartis at 1-800-706-3102.



## Notification

### **Reminder: Insuring Recreational Motor Vehicles**

Dear Valued Policyholder:

Thank you for placing your personal excess insurance coverage with Private Client Group. We realize you have a choice of carriers and we appreciate your business.

Please note that if you have any recreational motor vehicles, we require that they be listed on your Personal Excess Liability policy in order for coverage to be afforded. This is required regardless of registration requirements.

Recreational motor vehicles include, but are not limited to, all terrain vehicles, snowmobiles, golf carts, go karts, dune buggies, and motor bikes/scooters.

However, this does not include riding lawn mowers or motorized land vehicles designed to assist the handicapped.

If you have a recreational motor vehicle, please contact your independent insurance advisor to ensure that you are adequately protected.

We appreciate your cooperation.

PRIVATE CLIENT GROUP



## **YOUR PERSONAL EXCESS LIABILITY POLICY**

### **QUICK REFERENCE**

**Declarations Page**  
**Your Name and Address**  
**Policy Period**  
**Policy Limit**  
**Premium**  
**Forms**  
**Required Underlying Insurance**  
**And Limits for Covered**  
**Locations, Vehicles and Watercraft**  
**Schedule of Underlying Insurance**

**COVERAGE IS PROVIDED BY THE CHARTIS INC., MEMBER COMPANY NAMED IN THE DECLARATIONS PAGE. EACH IS A STOCK COMPANY.**

<b><u>POLICY PROVISIONS</u></b>	<b><u>Beginning on Page</u></b>
<b>Part I - Definitions</b>	<b>2</b>
<b>Part II - What Is Covered</b>	<b>3</b>
<b>Part III - Limits</b>	<b>5</b>
<b>Part IV - Defense Coverage And Claim Expenses</b>	<b>6</b>
<b>Part V - What Is Not Covered - Exclusions</b>	<b>7</b>
<b>Part VI - Your Duties</b>	<b>9</b>
<b>Part VII - Conditions</b>	<b>10</b>

The Contract together with the Declarations Page and Endorsements, if any, complete the Policy.

# THIS POLICY IS NOT COMPLETE WITHOUT A DECLARATIONS PAGE

## PERSONAL EXCESS LIABILITY COVERAGE - POLICY PROVISIONS

The insurance company named on your Declarations Page will provide the insurance described in this policy. You agree to pay the premium and comply with your responsibilities described in this policy.

Various provisions in this policy restrict or exclude coverage. Read the entire policy carefully to determine your rights and duties, and what is and is not covered. We have no duty to provide coverage unless there has been full compliance with policy PART VI - YOUR DUTIES and PART VII - CONDITIONS.

### PART I - DEFINITIONS

Words with special meanings are defined here or in the part of the policy where they are used. Throughout the policy, defined terms will be bolded when used.

In this policy, the words "you", "your" and "yours" mean the person or persons named on the Declarations Page and his or her spouse who lives in the same household. The words "we", "us", "our" and "ours" mean the insurance company named on the Declarations Page. Also, in this policy, the word(s):

1. **Aircraft** means any contrivance used or designed for flight, except model or hobby craft not used or designed to carry people or cargo.
2. **Auto** means any motorized land vehicle which requires motor vehicle registration or operator licensing. This includes self-propelled motor homes, motorcycles and attached trailers or semi-trailers.
3. **Bodily Injury** means physical bodily harm, including sickness or disease that results from it, and required care, loss of services or resulting death.
4. **Business** means a part-time or full-time trade, occupation or profession, including farming or ranching, other than **incidental business**.
5. **Damages** means the sum required to satisfy a claim, whether settled or agreed to in writing by us or resolved by judicial review.
6. **Discrimination** means violation of a person's civil rights with respect to such person's race, color, national origin, religion, gender, marital status, age, sexual orientation or preference, physical or mental condition, or any other protected class or characteristic established by any federal, state or local statutes, rules or regulations.
7. **Employment Crisis** means an allegation of, or your discovery of, a **wrongful employment act** committed against your **private staff** that has resulted in or, in your good faith opinion, is reasonable likely to result in a civil action against you or a **family member**.
8. **Family Member** means a person related to you by blood, marriage or adoption that lives in your household, including a ward or foster child.
9. **Follow Form** means that the coverage provided under this policy shall apply to the extent it is provided under required underlying insurance, following the terms, definitions, conditions and exclusions of the required underlying insurance. The **damages** payable are in excess of the required underlying insurance exhausted by payments of covered claims. If a provision of the required underlying insurance policy conflicts with a provision of this policy, this policy's provision shall apply. In any event, this policy will not provide broader coverage than provided by the required underlying insurance policy.
10. **Incidental business** means a **business** activity that does not produce gross revenues in excess of \$10,000 in any year, has no employees subject to workers' compensation or other similar disability laws, and conforms to federal, state and local laws. **Incidental business** includes the **business** of farming provided that it does not involve employment of others for more than 1,250 hours of farm work during the Policy period, and does not produce more than \$25,000 in gross annual revenues from the raising or care of animals or agriculture. **Incidental business** includes residences listed on the Declarations Page that you own and rent to others.
11. **Incidental Worker** means a person, such as a babysitter, hired for casual employment by you, working less than 15 hours per week.
12. **Insured Person** means:
  - a. You or a **family member**;
  - b. An additional insured named in the policy; or
  - c. Any person given permission by you or a **family member** to use vehicle or **watercraft** covered under this policy with respect to their legal responsibility arising out of its use.

**13. Leased Workers** means a person employed by a firm under an agreement between you and the firm, to perform duties related to the conduct of your domestic, personal or **incidental business**.

**14. Occurrence** means:

- a. An accident, including continuous or repeated exposure to substantially the same general harmful conditions which first results during the Policy Period in **bodily injury** or **property damage**; or
- b. An offense, including a series of related offenses, committed during the Policy Period that results in **personal injury**.

**15. Personal Injury** means the following injuries, or resulting death:

- a. **Bodily Injury**;
- b. Wrongful detention, false imprisonment or false arrest;
- c. Shock, emotional distress, mental injury;
- d. Invasion of privacy;
- e. Defamation, libel or slander;
- f. Malicious prosecution;
- g. Wrongful entry or eviction; or
- h. Assault and battery when committed with the intent or protecting persons.

**16. Private Staff** means individual(s) employed by you to perform duties related to your residential affairs, personal affairs or **incidental business**. **Private staff's** labor or service is engaged by and directed by you for remuneration. **Private staff** includes **temporary workers**, including full-time or part-time **leased workers**. Independent contractors and **incidental workers** are not considered **private staff**. Full-time means regularly employed by you 30 hours or more per week, while part-time means regularly employed by you less than 30 hours but more than 15 hours per week.

**17. Property damage** means physical injury to, destruction of, or loss of use of tangible property and the resulting loss of its use.

**18. Recreational Motor Vehicle** means:

- a. A motorized land vehicle designed for use off public roads and not subject to motor vehicle registration or operator licensing;
- b. A motorized land vehicle in dead storage at your residence; or
- c. A motorized land vehicle used solely on and
- d. to service a location shown on the Declarations Page.

**19. Sexual Harassment** means unwelcome sexual advances, requests for sexual favors, or other verbal, visual or physical conduct of a sexual

nature when such conduct:

- a. Is linked with decision affecting an individual's employment;
- b. Interferes with an individual's job performance; or
- c. Creates an intimidating, hostile or offensive working environment for an individual.

**20. Temporary Worker** means a person who is furnished to you to substitute for a permanent **private staff** member on leave or to meet seasonal or short-term workload conditions.

**21. Watercraft** means a boat or craft designed for use on, over or underwater;

**22. Wrongful Employment Act** means actual or alleged employment related **wrongful termination, sexual harassment, or discrimination**.

**23. Wrongful Termination** means:

- a. Violation of your **private staff's** rights, other than rights based on an express, written, or oral agreement of employment when, terminating an employment relationship; or
- b. Failure to exercise duty and care on the part of you or a **family member** when terminating an employment relationship.

## PART II - WHAT IS COVERED

### A. Excess Liability

#### 1. Insuring Agreement

We will pay **damages** an **insured person** is legally obligated to pay because of **personal injury** or **property damage** caused by an **occurrence**, covered by this policy anywhere in the world:

- a. In excess of **damages** covered by the required underlying insurance or the Minimum Required Underlying Limit whichever is greater; or
- b. From the first dollar of **damages** where required underlying insurance either:
  - 1) Exists but, coverage does not apply for a particular **occurrence**; or
  - 2) Is not required under this policy and no underlying insurance exists.

#### 2. Excess Uninsured and Underinsured Motorists Protection Coverage

This coverage is in effect only if an Excess Uninsured/Underinsured Motorists Limit is shown on the Declarations Page:

- a. Excess Uninsured and Underinsured Motorists Protection Coverage

We cover **damages** for **bodily injury** an **insured person** is legally entitled to receive from the owner or operator of an uninsured or underinsured auto if the **bodily injury** is caused by an occurrence during the Policy Period. We cover these **damages** in excess of the underlying insurance or the Minimum Required Underlying Limit, whichever is greater.

This coverage will **follow form**.

**b. Excess Uninsured/Underinsured Motorists Protection Arbitration**

**1) If we and an insured person do not agree:**

- a) Whether that insured person is legally entitled to recover damages from the owner or operator of an uninsured or underinsured auto; or**
- b) As to the amount of damages which are recoverable by that insured person;**

either party may make a written demand for arbitration.

Both parties must agree to arbitration. If the amount in demand is \$40,000 or less, it shall be settled by a single neutral arbitrator. If the amount in demand is greater than \$40,000, each party will select an arbitrator, and the two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court of jurisdiction.

**2) Each party will:**

- a) Pay the expenses it incurs; and**
- b) Bear the expenses of the third arbitrator equally.**

**3) Unless both parties agree otherwise, arbitration will take place in the county in which the insured person lives. Local rules of law as to procedure and evidence will apply.**

A decision agreed to by two of the arbitrators will binding as to:

- a) Whether the insured person is legally entitled to recover damages; and**
- b) The amount of damages. This applies only if the amount does not exceed the minimum limit for bodily injury liability specified by the financial responsibility law of the state in which the covered auto is principally garaged. If the amount exceeds that limit, either party may demand the right to a trial. This demand must be made within 60 days of the arbitrators' decision. If this demand is not made,**

the amount of **damages** agreed to by the arbitrators will be binding.

This provision supersedes any arbitration provision in any underlying insurance policy.

In no event may an arbitration award exceed the Excess Uninsured/Underinsured insured Limit shown on the Declarations Page.

This provision does not apply to any disputes regarding the application of the Excess Uninsured/Underinsured Motorists Protection. Any disputes regarding coverage shall be resolved by a court of competent jurisdiction.

**3. Additional Coverage**

**a. Coverage for Rented or Borrowed Autos**

We cover **damages** an **insured person** is legally obligated to pay **bodily injury** or **property damage** caused by an **occurrence** during the Policy Period resulting from an **insured person's** use of a rented or borrowed auto, provided the rental or loan does not exceed 45 days.

We will provide this coverage in excess of any underlying insurance that applies to these **damages**. If no underlying coverage exists, we will pay total **damages**.

This coverage does not cover **damages** an **insured person** is legally entitled to receive from the owner or operator of an uninsured or underinsured **auto**.

**b. Limited Residence Premises Business Liability**

We cover **damages** an **insured person** is legally obligated to pay for **personal injury** or **property damage** arising out of the physical condition of a residence shown on the Declarations page when **business** or professional activities are legally conducted by an **insured person** at that residence. This coverage applies only if:

- 1) You do not have any employees conducting business activities at your residence who are subject to workers' compensation or other similar disability laws;**
- 2) You are not a home day care provider; and**
- 3) There is no other valid and collectible insurance.**

We will provide this coverage in excess of any underlying insurance that applies to these **damages**. If no underlying coverage exists, we will pay total **damages**.

**c. Newly Acquired Auto and Watercraft**

- 1) We cover damages an insured person is legally obligated to pay for bodily injury or property damage caused by an**

**occurrence** for newly acquired **autos** providing you give us notice within 365 days after you become the owner. We reserve our right not continue to insure the **auto** once notified.

2) We also cover **damages** an **insured person** is legally obligated to pay for **bodily injury** or **property damage** caused by an **occurrence** for newly acquired **watercraft** provided you give us:

- a) Notice within 365 days after you become the owner for **watercraft** that is less than 26 feet in length and less than 50 horsepower; and
- b) Notice within 45 days after you become owner for **watercraft** that is 26 feet or more in length or 50 or more horsepower, which you will be required to pay additional premium from the date of acquisition.

We reserve our right not to continue to insure the **watercraft** once notified.

We will provide this coverage in excess of any underlying insurance that applies to these **damages**. If no underlying coverage exists, we will pay total **damages**.

d. Limited Employers' Liability

We will provide coverage in excess over any underlying insurance for damages which are not compensable under workers' compensation or similar laws and which an **insured person** is legally obligated to pay for **bodily injury** to **private staff**.

**B. Limited Employment Practices Liability Coverage**

1. This coverage is in effect only if a Limited Employment Practices Liability Coverage Limit is shown on the Declarations Page:

a. Insuring Agreement

We will pay **damages** you or a **family member** is legally required to pay to compensate **private staff** arising out of your **wrongful employment act** to which this insurance applies. This coverage applies only if:

- 1) The number of **private staff** does not exceed five (5) at the inception date of the Policy Period; and
- 2) The **wrongful employment act** occurs during the Policy Period.

All **wrongful employment acts** arising out of continuous, repeated or related **wrongful employment acts** shall be treated as one **wrongful employment act** and shall be deemed to occur at the time of the first

**wrongful employment act.**

b. Additional Coverage

**Employment Crisis Fund**

We cover reasonable fees and necessary expenses incurred by a crisis management firm for services performed to minimize potential loss as a result of an **employment crisis**. A crisis management firm means any public relations firm, Media management consultant, investigation firm or law firm. This coverage applies only if:

- a. The **employment crisis** arises from a **wrongful employment act** committed during the Policy Period; and
- b. The **employment crisis** is reported to us as soon as practicable but in no event later than thirty (30) days after you first contact a crisis management firm regarding the **employment crisis**.

There is no requirement for you to obtain approval before incurring fees and expenses with a crisis management firm following an **employment crisis** provided you select a firm from our panel of pre-approved crisis management firms. Prior written approval from us is required for this coverage to apply to fees and expenses incurred with any crisis management firm that is not listed on our pre-approved panel.

The most we will pay is the fee and expenses of the crisis management firm until they advise us that the **employment crisis** no longer exists or \$25,000, whichever is less. The most we will pay is \$25,000 regardless of the number of **employment crises** occurring during the Policy Period. The limit is in addition to the Limited Employment Practices Liability limit stated on the Declarations Page. This coverage is not subject to a deductible.

**PART III - LIMITS**

**A. Excess Liability Coverage**

The most we will pay for all claims for personal injury and property damage for anyone occurrence is the Personal Excess Liability Policy Limit shown on the Declarations Page. This insurance applies separately to each insured person against whom a claim is made or suit is brought but, we will not pay more than this amount in any one occurrence regardless of how many coverages, claims, people, or autos are involved in the occurrence. There is no limit to the number of occurrences during the Policy Period for which claims may be made.

**B. Excess Uninsured/Underinsured Motorists Protection Coverage**

Subject to the Personal Excess Liability Policy Limit above, the most we will pay in covered damages under this coverage for anyone occurrence is the Excess Uninsured/Underinsured Motorists shown on the Declarations Page, regardless of how many claims, people, or autos are involved in the occurrence. There is no limit to the number of occurrences during the Policy Period for which claims may be made.

**C. Limited Employment Practices Liability****1. Limits****a. Annual Aggregate**

The most we will pay for the sum of all losses for all claims under this coverage during the Policy Period is the limit shown as 'Annual Aggregate' for Limited Employment Practices Liability. Each loss payment we make for such claims reduces the Annual Aggregate limit by the amount of the payment. This reduced limit will then be the amount available for any further claims for the remaining portion of the Policy Period.

**b. Each Wrongful Employment Act**

Subject to the Annual Aggregate Limit, the most we will pay for all losses for all claims because of any **wrongful employment act** or series of related acts is the 'Each Wrongful Act' limit shown for Limited Employment Practices Liability.

This insurance applies separately to each **insured person** against whom a claim is made or suit is brought but we will not pay more than the Annual Aggregate regardless of how many claims or people are involved.

**2. Deductible**

The deductible amount shown for Employment Practices Liability shall be subtracted from amount of **damages** as a result of any **wrongful employment act** or series of related acts, regardless of how many claims or people are involved.

The limit will not be reduced by the application of the deductible amount. Notice of claim or suit and our right to investigate and negotiate any such claim or suit, apply irrespective of the application of the deductible amount.

**PART IV- DEFENSE COVERAGE - AND  
CLAIM EXPENSE**
**A. As respects Excess Liability or Limited Employment Practices Liability:**

We will defend an **insured person** against any suit **seeking** damages covered by Excess Liability or Limited Employment Practices Liability under this policy and where:

1. The underlying insurance has been exhausted by payment of claims; or

2. No underlying insurance applies;

Even if the allegations of the suit are groundless, false, or fraudulent, we provide this defense at our expense. You may choose counsel from a panel of firms selected by us. If a panel counsel is not established in your jurisdiction, we reserve the right to select counsel. We may investigate and settle any claim or suit at our discretion.

Additionally, we will pay:

- a. All court costs and expenses on judgments assessed against any **insured person** ;
- b. Reasonable expenses incurred by an **insured person** at our request, up to a total of \$10,000 for assisting us in the investigation or defense of a claim or suit;
- c. The cost of bail bonds required of an **insured person** because of a covered loss;
- d. All premiums on bonds required in a suit we defend, but not for bond amounts more than the coverage amount (we need not apply for or furnish any bond);
- e. All expenses incurred by us;
- f. Interest on the entire judgment which accrues after entry of the judgment and before we pay or tender, or deposit in court, that part of the judgment which does not exceed the amount of the coverage; and
- g. All prejudgment interest awarded against an insured person on that part of the judgment we pay or offer to pay, we will not pay any prejudgment interest based on that period of time after we make an offer to pay the amount of coverage.

**B. As respects Excess Liability, the following applies:**

We will have the right, but not the duty, to defend any **insured person** against any suit seeking **damages** covered by Excess Liability under this policy and also covered by the required underlying insurance. We will have the right to participate, at our own expense, with the **insured person** or insurer of any underlying insurance policy in the investigation, defense or settlement of any claim or suit which we believe may be require a loss payment under this policy. We will not contribute to the costs and expenses incurred by any insurer of underlying insurance policy, which an insurer of such policy is obligated to provide.

**C. When Our Duty To Defend Ends**

1. As respects Excess Liability
  - a. Our duty to defend an **insured person** against any claim or suit arising out of any one **occurrence** ends when amount we have paid in **damages** for that occurrence equals the Personal Excess Liability Policy Limit shown on the Declarations Page.
  - b. Payments under this provision, defense Coverage and Claim Expenses, except a settlement payment, are in addition to the Personal Excess Liability Policy Limit shown on the Declarations Page.
2. As respects Limited Employment Practices Liability:
  - a. Our duty to defend any **insured person** against any claim or suit arising out of any one **wrongful employment act** or a series of related act ends when amount we have paid in damages for that **wrongful employment acts** the Limited Employment Practices Liability limits shown on the Declarations Page.
  - b. Payments under this provision, Defense Coverage and Claim Expense, except a settlement payment, are in addition to the Limited Employment Practices Liability limits shown on the Declarations Page.

**D. Expanded Defense Coverage**

If we are defending an **insured person** for any suit seeking covered **damages**, we will reimburse you, up to \$10,000, for the reasonable expense for a law firm of your choice to review and consult on the defense covered under this policy. This coverage only applies to expenses incurred after the date our defense has begun and any applicable deductible has been applied.

**PART V- WHAT IS NOT COVERED -  
EXCLUSIONS**
**A. As respects Excess Liability and Limited Employment Practices Liability:**

This insurance does not provide coverage for liability defense cost or any other cost or expense:

1. Auto or Recreational Motor Vehicle Arising out of the ownership, maintenance, use, loading or unloading of:
  - a. Any motorized land vehicle (other than an **auto** or **recreational motor vehicle**) owned, leased or regularly used by any **insured person**; or
  - b. Any **auto** or **recreational motor vehicle** not covered by any underlying insurance or not listed on the Declarations page of this policy.

This exclusion does not apply to covered **damages** as provided under Rented or Borrowed Auto and Newly Acquired Auto and Watercraft Additional Coverages.

**2. Aircraft**

Arising out of the ownership, maintenance, use, loading, unloading, or towing of any **aircraft** that is rented to, owned by, or in the care, custody or control of an **insured person**, except non-owned **aircraft** chartered with a crew by you or on your behalf.

**3. Watercraft**

Arising out of the ownership, maintenance, use, operation, loading or unloading of any **watercraft**:

- a. That is less than 26 feet in length and less than 50 horsepower and owned by, furnished or rented to an **insured person** for longer than 365 days and is not listed on the Declarations Page;
- b. That is 26 feet or more in length or 50 or more horsepower and owned by, furnished or rented to an **insured person** for longer than 45 days and is not listed on the Declarations Page;
- c. Not covered by any underlying insurance; or
- d. Used for any business or commercial purpose.

However, item c. of this exclusion does not apply to covered **damages** as provided under Newly Acquired Auto and Watercraft Additional Coverage.

**4. Racing**

Arising out of the use of an auto, **recreational motor vehicle**, **watercraft** or **aircraft** for the participation in or practice for competitive racing. However, this exclusion does not apply to sail boats that are covered under this policy.

**5. Auto Services**

Arising out of the use of an **auto**, or a temporary substitute for such auto, by any **insured person** while employed or otherwise engaged in the **business** of:

Selling;

- a. Repairing;
- b. Servicing;
- c. Storing;
- d. Parking;
- e. Testing; or
- f. Delivering

Autos designed for use mainly on public highways.

**6. Business Pursuits**

Arising out of an **insured person's business** property or **business** pursuits, investment activity or any activity intended to realize a profit for either an **insured person** or others.

However, this exclusion does not apply to:

- a. Volunteer work for an organized charitable, religious or community group;
- b. Incidental business activity; or
- c. Limited Residence Premises Business Liability Coverage.

**7. Director's Errors or Omissions**

Arising out of any **insured person's** acts, errors or omissions as an officer or member of the board of directors of any corporation or organization. This exclusion does not apply to an **insured person's** actions for non-profit corporation or organization, or to a condominium or cooperative association.

**8. Professional Services**

Arising out of an **insured person** performing or failure to perform professional services, or for professional services for which any **insured person** is legally responsible or licensed.

**9. Intentional Acts**

Arising out of any criminal, willful, intentional or malicious act or omission by any person. We also will not cover claims for acts or omissions of any person which are intended to result in, or would be expected by a reasonable person to cause, **property damage** or **personal injury**. This exclusion applies even if the injury or damage is of a different kind or degree, or is sustained by a different person, than expected or intended. This exclusion does not apply to **bodily injury** if the **insured person** acted with reasonable force to protect any person or property.

**10. Controlled Substance(s)**

Arising out of the use, sale, manufacture, delivery or transfer or possession of a controlled substance(s) as defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812. However, this exclusion does not apply to the legitimate use of prescription drugs of a person following the orders of a licensed physician.

**11. War**

Caused directly or indirectly by war, including the following and any consequences of the following:

- a. Undeclared war, civil war, insurrection, rebellion or revolution;
- b. Warlike acts by military forces or personnel; or

- c. The destruction or seizure of property for a military purpose.

Discharge of a nuclear weapon will be deemed a warlike act even if accidental.

**12. Nuclear**

Caused directly or indirectly by nuclear reaction, radiation, or radioactive contamination.

**13. Assessments**

Any assessment charged against an **insured person** as a member of an association, corporation, community of property owners, condominium or cooperative association.

**14. Contracts**

For any damages arising from:

- a. Contracts or agreements made in connection with any insured person's business;
- b. Unwritten contracts or agreements; or
- c. Contracts or agreements in which the liability of others is assumed after a loss.

**15. Workers Compensation or Disability**

Any **damages** or benefits an **insured person** is legally obligated to provide under any worker's compensation, disability benefits, Jones Act or General Maritime Law, unemployment compensation, occupational disease or similar law.

**16. Uninsured/Underinsured Motorists**

Any claim for uninsured motorists, underinsured motorists, or no-fault insurance benefits unless a limit amount is shown for the Excess Uninsured/Underinsured Motorists Limit on the Declarations Page of this policy.

**17. Insured Person**

Personal Injury to an insured person under this policy.

**18. Transmitted Disease**

Personal Injury resulting directly or indirectly from any illness, sickness or disease transmitted intentionally or unintentionally by an insured person to anyone. We do not cover any damages for any threat of exposure or any consequences resulting from the illness, sickness or disease.

**19. Care, Custody or Control**

**Property Damage** to property owned by, or in the care, custody and control of an **insured person**. However, this exclusion does not apply to covered **damages** as provided under Rented or Borrowed Auto and Newly Acquired Auto and Watercraft Additional Coverage.

**B. As respects Excess Liability, the following also applies:**

This insurance does not provide coverage for liability defense costs or any other cost or expense for **personal injury**:

**1. Wrongful Employment Acts**

Arising out of any **wrongful employment act**, including but not limited to **wrongful termination** of employment.

**2. Discrimination**

Arising out of any actual. Alleged or threatened **discrimination**.

**3. Sexual Misconduct,**

- a. Sexual misconduct, molestation or harassment.
- b. Corporal punishment; or
- c. Sexual, physical or mental abuse.

**C. As respects Limited Employment Practices Liability, the following also applies:**

This insurance does not provide coverage for liability defense costs or any other cost or expense:

**1. Property Damage or Bodily Injury****2. Punitive Damages**

For fines, penalties, punitive, exemplary or multiple damages, except where required by law.

**3. Uninsurable Losses**

For matter which may be deemed uninsurable according to the law under which the Policy is construed.

**4. Breach of an Employment Contract**

Arising out of a wrongful employment act for which the insured person is obligated to pay damages by reason of an express, written, or oral agreement of employment.

**5. Non-Monetary Relief**

For that part of any claim or suit seeking non-monetary relief including, but not limited to, injunctive relief, declaratory relief, disgorgement, job reinstatement, or other equitable remedies

**6. Violations of Laws Applicable to Employers**

Arising out of a violation of any responsibilities, obligations or duties imposed by the Employment Retirement Income Security Act of 1974, Fair Labor Standards Acts (except the Equal Pay Act), the Workers' Adjustment and Retaining Notification Act, National Labor Relations Act, the Consolidated Omnibus Budget Reconciliation Act, the Immigration Reform & Control Act of 1986, any rules or regulations of the foregoing promulgated thereunder, and amendments thereto or any similar provisions of any federal, state, local or foreign statutory law or common law.

**7. Social Security Benefits**

Arising out of any obligation under the Social Security Act including, but not limited to, any claim for lost or diminished Social Security benefits, including any amendments to that law, or similar federal, state, or local statutory or common law.

**PART VI - YOUR DUTIES****A. Maintain Underlying Insurance****1. Underlying Insurance**

We will pay for that part of covered **damages** in excess of all underlying insurance, even if the underlying coverage is for more than the Minimum Required Underlying Limits shown on the Declarations.

"Underlying Insurance" includes all liability insurance, other than this policy or insurance purchased specifically to be excess of this policy, that applies to the covered **damages**.

**2. Required Underlying Insurance**

- a. You and your **family members** must maintain insurance in full effect for the Minimum Required Underlying Limit amounts shown on the Declarations Page, covering your exposures for:

- 1) Personal liability resulting from **personal injury** and **property damage** caused by an **occurrence**; and

- 2) **Bodily injury** and **property damage** resulting from an **occurrence** for all **autos, watercraft or recreational motor vehicles** you or your **family members** own, lease, regularly use, or rent for longer than 45 days.

- b. If, at the time of an **occurrence**, the underlying insurance that is applicable to the **occurrence** is not fully collectible because:

- 1) You or a **family member** have failed to maintain required underlying insurance;

- 2) The limits, terms and conditions of the required underlying insurance have been reduced or restricted for specific exposures;

- 3) The insurer of the required underlying insurance is bankrupt, insolvent or in receivership; or

- 4) You or a **family member** have failed to meet your contractual responsibilities under the required underlying insurance;

then we will pay only as though the required underlying insurance was in effect for the Minimum Required Underlying Limits stated on the Declarations Page.

**B. Your Duties After a Loss**

In the event of an **occurrence** or **wrongful employment act** which is likely to involve this policy, or if you or any other **insured person** under this policy are sued in connection with an **occurrence** or **wrongful employment act** which may be covered under this policy:

1. You must notify us or our agent as soon as practicable of the time, place and other circumstances of the **occurrence** or **wrongful employment act** and provide us with the names and address of any persons injured and any available witnesses.
2. An **insured person** must:
  - a. Provide us with any suit papers and any other documents which will help us defend the insured person; and
  - b. Assist and cooperate with us in the conduct of the defense by helping us:
    1. To make a settlement;
    2. To enforce any right of contribution or indemnity against any person or organization who may be liable to an **insured person**.
    3. To attend hearings and trials; and
    4. To secure and give evidence and obtain the attendance of witnesses.

**PART VII - CONDITIONS**

**A. Policy Period and Territory.** The policy period is stated on the Declarations Page. This policy applies to:

1. An **occurrence** which takes place anywhere in the world; or
2. A wrongful employment act which takes place anywhere in the world but, only if the claim is made and a suit is brought for such wrongful employment act in the United States of America, its territories or possessions.

**B. Suit Against Us.**

1. No action can be brought against us unless there has been full compliance with all of the terms under this policy.
2. No one will have the right to join us as a party to any action against an **insured person**.
3. Also, no action can be brought against us until the obligation of such **insured person** has been determined by final judgment or agreement signed by us.
4. We will also not be liable for the **insured person's** share of any payment due because of a settlement or judgment for which the **insured person** is responsible under any deductible provision.

**C. Appeals.** If the insured person or the insurer of an underlying policy elects not to appeal a judgment, which would require payment of loss under this policy, we may appeal the judgment.

We will pay the cost and interest incidental to the appeal. We will not be liable for more than the policy limit shown on the the Declarations Page plus the incidental cost and interest.

- D. Recovery.** If the insured person has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. The insured person must do nothing after loss to impair such rights of recovery. At our request, the insured person will bring suit or transfer those rights to us and help us enforce them.
- E. Assignment.** No one covered under this policy may assign or turn over any right or interest in regard to the policy without our written consent.
- F. Changes.** This policy may only be changed by written endorsement issued by us.
- G. Conformity to Statutes.** Any provision of this policy, which is in conflict with state or local law, is amended to conform to the law.
- H. Liberalization.** If we broaden the coverages provided by our Personal Excess Liability Policy without additional premium charge, the changes will automatically apply to your policy as of the effective date on which the changes are adopted in your state.
- I. Bankruptcy or Death.** The **insured person's** bankruptcy or insolvency shall not relieve us of any of our obligations. However, if the **insured person** dies or becomes bankrupt or insolvent during the Policy Period, this policy, unless cancelled, will cover the insured person's legal representative for the remainder of the Policy Period.
- J. Other Insurance.** This policy shall apply as excess over any other insurance, except when the other insurance is specifically written to apply in excess of this policy.
- K. Cancellation.** You may cancel this policy by mailing or delivering to our agent, or to us, advance notice of the date on which the cancellation is to take effect, and returning your copy of the policy to us. Your premium refund, if any, will be pro rata.

We may cancel by mailing to you, at the last mailing address known to us, written notice stating when cancellation will be effective. If the policy is cancelled by us due to your failure to discharge when due any of your obligations in connection with the payment of premium for this policy or any premium installment, whether payable directly to us or our agent or indirectly under any premium finance plan or extension of credit, written notice of cancellation must be mailed at least ten (10) days prior to the effective date of such cancellation.

However, if we cancel for any reason other than non-payment of premium, written notice of cancellation must be mailed at least thirty (30) days

before the effective date of cancellation. Your premium refund, if any, will be pro rata. Proof of mailing notice as mentioned above shall be sufficient proof of notice. The effective date and hour of cancellation stated in the notice shall become the end of the Policy Period.

- L. Non-Renewal.** If we elect not to renew this policy, we shall mail to you at the last address known to us written notice of non-renewal not less than thirty (30) days before the end of the Policy Period as stated on the Declarations Page. Regardless, this policy will terminate at the end of the Policy Period stated on the Declarations Page if you have failed to discharge when due any of your obligations in connection with the payment of premium for the renewal of this policy, or if you have notified us or our agent that you do not wish

this policy to be renewed. Proof of mailing of notice mentioned above shall be sufficient proof of notice.

- M. Transfer of Control.** You may take over control of any outstanding claim or suit previously reported to us only if we both agree that you should, or if a court orders you to do so. If your limits are exhausted, we will notify you of all outstanding claims or suits so that you can take over control of the defense. We will help transfer control of the defense of any outstanding claim, and avoid a default judgment during the transfer of control to you. If we do so, we shall not waive or give up any of our rights. You shall pay all reasonable expense we incur for taking such steps after the limits have been exhausted.

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In Witness Whereof, we have caused this policy to be executed and attested, and if required by state law this policy shall not be valid unless countersigned by our authorized representative.

Chartis Property Casualty Co



Secretary



President

## **Chartis U.S. Privacy and Data Security Notice**

### **About This Notice**

This Privacy and Data Security Notice applies only to your Personal Information (see definition below) obtained by one of the Chartis U.S. Companies or their affiliates listed at the end of this notice, in connection with the products or services one of those companies provided primarily for your personal, family, or household purposes in connection with which you are receiving this notice.

Chartis U.S. has established practices, procedures and system protections that are designed to help protect the privacy and security of Personal Information that we collect in the course of conducting our business. This notice outlines how we collect, handle, and disclose Personal Information about you.

The term "Personal Information," as used in this Privacy and Data Security Notice, means information that identifies you personally. Examples of Personal Information include a first and last name, a home or other physical address, an email address, a financial account or credit card number, a driver's license number, or information on your physical condition or health status.

### **I. Information Privacy**

We may collect Personal Information from applications, enrollment forms, in claims processing, or in your other interactions with us and with our Affiliates. We may also collect Personal Information from credit reporting agencies and other third parties in connection with the sale of our products to you.

We will collect Personal Information only in accordance with applicable laws or regulations, whether we collect it in response to your request for a product or service from us or otherwise.

### **Information Sharing**

We may share your Personal Information with Affiliates and Non-Affiliates as described below.

**With our Affiliates:** Our Affiliates may include other insurance companies, insurance holding companies, insurance agents and agencies, claims administrators, marketing companies, e-commerce service providers, and companies providing administrative services.

We may share your Personal Information, including Personal Information of a health nature, with our Affiliates that assist us in servicing your insurance policies. Examples are administration (billing and collections), risk management, underwriting, and claims handling. We may also share your Personal Information with our Affiliates for the purpose of detecting and preventing fraud, as directed or authorized by you, or as otherwise permitted or required by law.

### **With Non-Affiliates:**

We may share your Personal Information, including Personal Information of a health nature, with Non-Affiliates that assist us in servicing your insurance policies. Examples are administration (billing and collections), risk management, underwriting, and claims handling. We may also share your Personal Information with Non-Affiliates for the purpose of detecting and preventing fraud, as directed or authorized by you, or as otherwise permitted or required by law.

We may also enter into joint marketing agreements with Non-Affiliates to share your non-health Personal Information as permitted by law. These Non-Affiliates may include providers of financial products or services such as insurance companies, financial institutions, and securities firms.

Because we do not share Personal Information with either Affiliates or Non-Affiliates in any other way, there is no need for an opt-out process in our privacy procedures.

For California and Vermont Residents: If it becomes necessary to share your Personal Information with Non-Affiliates other than as specifically allowed by law, we will not do so without first obtaining your permission.

## **II. Data Security**

To help prevent unwarranted disclosure of your Personal Information and secure it from theft, we utilize secure computer networks. Access is restricted to those persons who have a business need to use your Personal Information to provide products or services to you. We also maintain physical, electronic, and procedural safeguards designed to protect your Personal Information in compliance with federal and state privacy and information security laws. Non-Affiliates that assist us in servicing insurance policies or who enter into joint marketing agreements with us are required to take measures to maintain the security of your Personal Information in compliance with federal and state privacy and information security laws.

## **III. Maintaining Personal Information**

We also maintain procedures to ensure that the Personal Information we collect is accurate, up-to-date, and as complete as possible. If you believe the information we have about you in our records or files is incomplete or inaccurate, you may request that we make additions or corrections, or if it is feasible, that we delete this information from our files. You may make this request in writing to (include your name, address and policy number):

**Chief Privacy Officer  
Chartis U.S.  
175 Water Street, 17th Floor  
New York, NY 10038  
Fax: 212 458-7081  
E-Mail: [CIPrivacy@chartisinsurance.com](mailto:CIPrivacy@chartisinsurance.com)**

**Special Notice:** You can obtain access to any non-public Personal Information we have about you if you properly identify yourself and submit a written request to the address above describing the information you want to review. We will also tell you the identity, if recorded, of persons to whom we have disclosed your non-public Personal Information within the preceding two years.

You may request that we correct, amend or delete information about you. If we do so, we will notify organizations that provided us with that information and, at your request, persons who received that information from us within the preceding two years. If we cannot grant your request to correct, amend or delete the information, you may give us a written statement of the reasons you disagree, which we will place in your file and give to the same parties who would have been notified of the requested change.

### **Our Customers Can Depend on Us**

We are committed to maintaining our trusted relationship with our Customers. We consider it our privilege to serve our Customers' insurance and financial needs and we value the trust they have placed in us. Our Customers' privacy is a top priority. We will continue to monitor our practices in order to protect that privacy and will comply with state privacy laws that require more restrictive practices than those set out in this notice.

### **Important Information Concerning the Applicability and Future Changes to this Privacy and Data Security Notice**

We may change this Privacy and Data Security Notice from time to time, and if particular changes are required by law to be communicated to you, we will do so.

You may have received this notice in connection with products or services provided to you by one of the following Companies: American Home Assurance Company; Chartis Casualty Company; Chartis Property Casualty Company; Chartis Select Insurance Company; Chartis Specialty Insurance Company; Commerce and Industry Insurance Company; Granite State Insurance Company; Illinois National Insurance Co.; Landmark Insurance Company; Lexington Insurance Company; National Union Fire Insurance Company of Pittsburgh, Pa.; National Union Fire Insurance Company of Vermont; New Hampshire Insurance Company; The Insurance Company of the State of Pennsylvania; other Chartis U.S. companies, and American International Life Assurance Company of New York and American General Life Insurance Company of Delaware.

Endorsement to Policy #:PCG 0003018048

Transaction Effective Date: 04/30/2012

Policy Period: 04/30/2012 - 04/30/2013

**WARRANTED PERSONAL EXCESS LIABILITY POLICY****HIGHER UNDERLYING LIMITS**

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

In return for a reduced premium, the Required Underlying Insurance that is stated on your Declarations Page is replaced with the Required Underlying Insurance as stated in the Schedule below.

**Schedule**

<b>Required Underlying Insurance</b>		<b>Minimum Required Underlying Limits</b>	
<b>Private Passenger Auto and Licensed Recreational Vehicles</b>	<b>Bodily Injury and Property Damage</b>	or \$ N/A	<b>BI each person</b>
		\$ N/A	<b>BI each accident</b>
		\$ N/A	<b>PD each accident</b>
	<b>Combined Single Limits</b>	\$ 500	<b>each accident</b>

Part V I - YOUR DUTIES, Required Underlying Insurance is deleted and replaced by the following:

## 2. Required Underlying Insurance

- a. You and your **family members** must maintain, in full effect, the Minimum Required Underlying Limit amount as indicated in the Schedule above, covering your exposures for:
  - 1) Personal liability resulting from **personal injury** or **property damage** caused by an **occurrence**; and
  - 2) **Bodily injury** and **property damage** resulting from an **occurrence** for all **autos, watercraft, or recreational motor vehicles** you or your **family members** own, lease, regularly use, or rent for longer than 45 days.

- b. If, at the time of an **occurrence**, the underlying insurance stated in the Schedule that is applicable to the **occurrence** is not fully collectible because:
- 1) You or a **family member** have failed to maintain the required underlying insurance stated in the Schedule; or
  - 2) The limits, terms or conditions of the required underlying insurance stated in the Schedule have been reduced or restricted for specific exposures; or
  - 3) The insurer of the required underlying insurance stated in the Schedule is bankrupt, insolvent or in receivership; or
  - 4) You or a **family member** have failed to meet your contractual responsibilities under the required underlying insurance stated in the Schedule;
- then we will pay only as though the required underlying insurance was in effect for the Minimum Required Underlying Limits stated in the Schedule.

Endorsement to Policy #: PCG 0003018048

### AMENDATORY ENDORSEMENT - NEW YORK

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

PART I - DEFINITIONS is amended to include the following:

**Disparate Impact Discrimination** means the result of disparities between or among groups or individuals, based upon statistical or other numerical profiles, sufficient to support a finding of discrimination. Such disparities must result in a violation of a person's civil rights with respect to that person's race, color, national origin, religion, gender, marital status, age, sexual orientation or preference, physical or mental condition, or any other protected class or characteristic established by any federal, state or local statutes, rules or regulations.

**Disparate impact discrimination** also includes the employer's vicarious liability for the discriminatory act of an employee, even though the employer:

1. Played no active role in the commission of the act;
2. Did nothing to aid or encourage the commission of such act; and
3. May have done all it possibly could to have prevented such act.

PART I - DEFINITIONS, **Wrongful Employment Act** is deleted and replaced with the following:

**Wrongful Employment Act** means actual or alleged employment related **wrongful termination, sexual harassment or disparate impact discrimination**.

PART VII - CONDITIONS, is amended to include the following:

#### Suit Against Us

The following provisions are added:

5. If we deny coverage or do not admit liability for damages because of **bodily injury** caused by an **occurrence** because an **insured person** or the injured person, someone acting for the injured person or other claimant fails to give us or any of our agents in this state notice as soon as is practicable, then the injured person, someone acting for the injured person or other claimant may bring an action against us, in which the sole question is whether the denial of coverage or nonadmission of liability based on the failure to provide notice as soon as is practicable.

However, the injured person or someone acting for the injured person may not bring an action if, within 60 days after we deny coverage or do not admit liability for damages because of **bodily injury**, we or an **insured**:

- a. Brings an action to declare the rights of the parties under the policy; and
  - b. Names the injured person, someone acting for the injured person or other claimant as a party to the action.
6. If we fail to pay for damages because of **bodily injury** or **property damage** caused by an **occurrence** within 30 days after serving of notice of entry of judgment upon the **insured person** and us, then an action may be maintained against us for the amount of the judgment, up to the Limit of Liability. However, this does not apply during a stay or limited stay of execution against the **insured person** on such judgment.

PART VII - CONDITIONS, Cancellation is deleted and replaced by the following:

**Cancellation.** You may cancel this policy by mailing or delivering to our agent, or to us, advance notice of the date on which the cancellation is to take effect, and returning your copy of the policy to us. Your premium refund, if any, will be pro rata.

We may cancel by mailing to you, at the last mailing address known to us, written notice stating when cancellation will be effective.

#### Nonpayment

If the policy is cancelled by us due to your failure to discharge when due any of your obligation in connection with the payment of premium for this policy or any premium installment, whether payable directly to us or our agent or indirectly under any premium finance plan or extension of credit, written notice of cancellation must be mailed at least nineteen (19) days prior to the effective date of such cancellation.

#### Policies in Effect 60 Days or Less

When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason, other than nonpayment of premium, by letting you know at least 34 days before the effective date of cancellation.

#### Policies in Effect For More Than 60 Days

When this policy has been in effect for 60 days or more, or at any time is a renewal with us, we may cancel for any of the following reasons, other than nonpayment of premium, by written notice of cancellation, in accordance with Section 3425, by notifying you at least thirty-four (34) days before the effective date of cancellation:

1. Conviction of a crime arising out of acts increasing the hazard insured against;
2. Discovery of fraud or material misrepresentation in obtaining the policy or in the presentation of a claim thereunder;
3. Discovery of willful or reckless acts or omissions increasing the hazard insured against;
4. Physical changes in the property insured occurring after issuance or last annual anniversary date of the policy which result in the property becoming uninsurable in accordance with our objective, uniformly applied underwriting standards in effect at the time the policy was issued or last voluntarily renewed; or
5. A determination by the Superintendent of Insurance that the continuation of the policy would violate or would place us in violation of the New York Insurance Law.

Proof of mailing of notice as mentioned above shall be sufficient proof of notice. The effective date and hour of cancellation stated in the notice shall become the end of the Policy Period.

#### Conditional Renewal

Further, if we have the right under Section 3425 to cancel this policy, we may in lieu of cancellation, condition continuation of this policy upon change of limits or elimination of any coverage not required by law, if written notice of our intention is mailed or delivered to you at the address shown in the policy at least twenty-five (25) days prior to the effective date of our decision.

Your premium refund, if any, will be pro rata.

PART VII - CONDITIONS, Non-Renewal is deleted and replaced by the following:

**Non-Renewal.** If we elect not to renew or condition our renewal of this policy, we shall mail to you at the last address known to us written notice of non-renewal at least forty-five (45) but no more than (60) days before the end of the Policy Period as stated on the Declarations Page. The conditions may include, but are not limited to, amending the limits of liability or reducing coverage not required by law. We will state or include the reason for our action. Regardless, this policy will terminate at the end of the Policy Period as stated on the Declaration Page if you have failed to discharge when due any of your obligations in connection with the payment of premium for the renewal of this policy, or if you have notified us or our agent that you do not wish this policy to be renewed. Proof of mailing of notice mentioned above shall be sufficient proof of notice.

The following provisions are also added to the policy:

FAILURE TO GIVE NOTICE WITHIN PRESCRIBED TIME:

Failure to give any notice of **claim** required to be given by such policy within the prescribed time shall not invalidate any **claim** made by the **Insured Person** or by any injured party or other claimant, unless the failure to provide timely notice has prejudiced the insurer. However, such failure to give notice of **claim** shall not invalidate any **claim** made by the **Insured Person** or by any injured party or other claimant if it shall be shown not to have been reasonably possible to give notice within the prescribed time and that notice was given as soon as was reasonably possible.

NOTICE TO AGENT:

Notice given by or on behalf of the **Insured Person**, or written notice by or on behalf of the injured party or any other claimant, to any licensed agent of the Insurer in the state of New York, with particulars sufficient to identify the **Insured Person**, shall be deemed notice to the Insurer.

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